

LINE 4A - INTEREST

INTEREST INCOME ON OBLIGATIONS OF U.S.

1,008.

TOTAL INTEREST

1,008.

LINE 6 - NET SECTION 1231 GAIN (LOSS)

OTHER (GENERAL BUSINESS)

1,094.

TOTAL NET SECTION 1231 GAIN (LOSS)

1,094.

LINE 16E - OTHER ADJUSTMENTS AND TAX PREFERENCE ITEMS

ADJUSTED GAIN (LOSS) FROM INSTALLMENT SALES

-1,094.

TOTAL OTHER ADJUSTMENTS AND TAX PREFERENCE ITEMS

-1,094.

PARTNER FOOTNOTES

LINE 16E: (1,094)

ADJUSTMENT FOR INSTALLMENT SALE INCOME
ENTER ON FORM 4626, ACE WORKSHEET, LINE 5E.

SCHEDULE K-1
(Form 1065)Department of the Treasury
Internal Revenue Service**Partner's Share of Income, Credits, Deductions, etc.**

▶ See separate instructions.

OMB No. 1545-0099

2000

For calendar year 2000 or tax year beginning

2000, and ending

Partner's identifying number ▶ 58-1969355**Partnership's identifying number ▶ 84-1188108**

Partner's name, address, and ZIP code **PARTNER # 2**
COALGRACE II, INC.
5400 BROKEN SOUND BLVD. NW, SUITE
300
BOCA RATON, FL 33487

Partnership's name, address, and ZIP code
H-G COAL COMPANY
5400 BROKEN SOUND BLVD. NW, SUITE
300
BOCA RATON, FL 33487

A This partner is a ☒ general partner ☐ limited partner
☐ limited liability company member

B What type of entity is this partner? ▶ **CORPORATION****C** Is this partner a ☒ domestic or a ☐ foreign partner?

D Enter partner's percentage of: (i) Before change or termination (ii) End of year

Profit sharing	%	50.000000	%
Loss sharing	%	50.000000	%
Ownership of capital	%	50.000000	%

E IRS Center where partnership filed return: **ATLANTA****F** Partner's share of liabilities (see instructions):

Nonrecourse

Qualified nonrecourse financing

Other **85****G** Tax shelter registration number ▶**H** Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐**I** Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1**J Analysis of partner's capital account:**

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
-291,708.	26,050.		26,050.	-291,708.

	(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest STMT. 1.	4a 1,008.	Sch. B, Part I, line 1
	b Ordinary dividends	4b	Sch. B, Part II, line 5
	c Royalties	4c	Sch. E, Part I, line 4
	d Net short-term capital gain (loss)	4d	Sch. D, line 5, col. (f)
	e Net long-term capital gain (loss):		
	(1) 28% rate gain (loss)	4e(1)	Sch. D, line 12, col. (g)
	(2) Total for year	4e(2)	Sch. D, line 12, col. (f)
Deductions	f Other portfolio income (loss) (attach schedule)	4f	Enter on applicable line of your return.
	5 Guaranteed payments to partner	5	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065). Enter on applicable line of your return.
	6 Net section 1231 gain (loss) (other than due to casualty or theft)	6 1,093.	
	7 Other income (loss) (attach schedule)	7	
	8 Charitable contributions (see instructions) (attach schedule)	8	Sch. A, line 15 or 16
	9 Section 179 expense deduction	9	See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	10 Deductions related to portfolio income (attach schedule)	10	
Credits	11 Other deductions (attach schedule)	11	
	12a Low-income housing credit:		Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	12a(1)	
	(2) Other than on line 12a(1) for property placed in service before 1990	12a(2)	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	12a(3)	
	(4) Other than on line 12a(3) for property placed in service after 1989	12a(4)	
	b Qualified rehabilitation expenditures related to rental real estate activities	12b	See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	
	d Credits related to other rental activities	12d	
	13 Other credits	13	

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2000

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Investment Interest	14 a Interest expense on investment debts	14a	Form 4952, line 1 See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f	b(1) 1,008.	
	(2) Investment expenses included on line 10	b(2)	
Self-employment	15 a Net earnings (loss) from self-employment	15a	Sch. SE, Section A or B See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b Gross farming or fishing income	15b	
	c Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16 a Depreciation adjustment on property placed in service after 1986	16a	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	b Adjusted gain or loss	16b	
	c Depletion (other than oil and gas)	16c	
	d (1) Gross income from oil, gas, and geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, and geothermal properties	d(2)	
	e Other adjustments and tax preference items (attach schedule)	16e -1,093.	
Foreign Taxes	17 a Name of foreign country or U.S. possession ▶		Form 1116, Part I
	b Gross income sourced at partner level	17b	
	c Foreign gross income sourced at partnership level:		
	(1) Passive	17c(1)	
	(2) Listed categories (attach schedule)	17c(2)	
	(3) General limitation	17c(3)	
	d Deductions allocated and apportioned at partner level:		
	(1) Interest expense	17d(1)	
	(2) Other	17d(2)	
	e Deductions allocated and apportioned at partnership level to foreign source income:		
	(1) Passive	17e(1)	
	(2) Listed categories (attach schedule)	17e(2)	
	(3) General limitation	17e(3)	
f Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17f	Form 1116, Part II	
g Reduction in taxes available for credit and gross income from all sources (attach schedule)	17g	See Instructions for Form 1116.	
Other	18 Section 59(e)(2) expenditures: a Type ▶		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b Amount	18b	
	19 Tax-exempt interest income	19	Form 1040, line 8b
	20 Other tax-exempt income	20	See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065).
	21 Nondeductible expenses	21	
	22 Distributions of money (cash and marketable securities)	22 26,050.	
	23 Distributions of property other than money	23	Form 8611, line 8
	24 Recapture of low-income housing credit:		
a From section 42(j)(5) partnerships	24a		
b Other than on line 24a	24b		
Supplemental Information	25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):		
	SEE PARTNER FOOTNOTES SCHEDULE		

PARTNER'S SCHEDULE OF ACTIVITIES

PARTNER # 2 COALGRACE II, INC.

Activity Name(s) and Type of Income:

A H-G COAL COMPANY

Disposed
ActivityQualified
Low-Income
HousingPublicly
Traded
PartnershipPass-through
Activity

NO

NO

NO

NO

B H-G COAL COMPANY

NO

NO

NO

NO

C

C

Schedule K-1 Line References	Activity A PORTFOLIO	Activity B GEN. T/B	Activity C	Activity D	Activity E
1. Ordinary income					
2. Rental real estate income . . .					
3. Other rental income					
4a. Interest income	1,008.				
4b. Ordinary dividends					
4c. Royalties					
4d. Short-term capital gain/loss . .					
4e.(1) 28% Rate Long-term capital gain/loss					
4e.(2) Total Long-term capital gain/loss .					
4f. Other portfolio income/loss . .					
5. Guaranteed payments					
6. Net Section 1231 gain/loss . .		1,093.			
7. Other income					
8. Charitable contributions					
9. Section 179 expense					
10. Deductions for portfolio income					
11. Other deductions					
12a.(1) Elec. pre-90 low-inc. housing cr.					
12a.(2) Other pre-90 low-inc. housing cr.					
12a.(3) Elec. post-89 low-inc. housing cr.					
12a.(4) Other post-89 low-inc. housing cr. .					
12b. Qualified rehab. expenditures . .					
12c. Rental real estate credits . . .					
12d. Other rental credits					
13. Other credits					
14a. Interest expense on inv. debts . .					
14b.(1) Investment income	1,008.				
14b.(2) Investment expense					
16a. Depr. adj. on post-86 property . .					
16b. Adjusted gain/loss					
16c. Depletion					
16d.(1) Gross income oil/gas/geoth . .					
16d.(2) Deductions alloc. to oil/gas prop					
16e. Other tax preference		-1,093.			
17b. Total gross income (ptr level). .					
17c.(1) Passive (ptrshp level)					
17c.(2) Listed categories (ptrshp level).					
17c.(3) General limitation (ptrshp level)					
17d.(1) Interest exp. allo. & appt. (ptr level) .					
17d.(2) Other deductions allo. & appt. (ptr level) .					
17e.(1) Passive deductions (ptrshp level)					
17e.(2) Listed categories (ptrshp level).					
17e.(3) General limitation (ptrshp level)					
17f. Total foreign taxes.					
17g. Reduction in taxes avail. for credit .					
18b. Section 59(e) expenditures . . .					
19. Tax-exempt interest income . . .					
19. Other tax-exempt income					
20. Nondeductible expenses.					
24a. Low-inc. housing credit recap. . .					
24b. Other than Sec. 42(j)(5)					
25. Supplemental Information					

LINE 4A - INTEREST

INTEREST INCOME ON OBLIGATIONS OF U.S.

1,008.

TOTAL INTEREST

1,008.

LINE 6 - NET SECTION 1231 GAIN (LOSS)

OTHER (GENERAL BUSINESS)

1,093.

TOTAL NET SECTION 1231 GAIN (LOSS)

1,093.

LINE 16E - OTHER ADJUSTMENTS AND TAX PREFERENCE ITEMS

ADJUSTED GAIN (LOSS) FROM INSTALLMENT SALES

-1,093.

TOTAL OTHER ADJUSTMENTS AND TAX PREFERENCE ITEMS

-1,093.

PARTNER FOOTNOTES

LINE 16E: (1,094)

ACE ADJUSTMENT FOR INSTALLMENT SALE INCOME

PER ON FORM 4626, ACE WORKSHEET, LINE 5E.

Form

1065Department of the Treasury
Internal Revenue Service**U.S. Return of Partnership Income**

OMB No. 1545-0099

For calendar year 2000, or tax year beginning _____, 2000, and ending _____
▶ See separate instructions.**2000**

A Principal business activity

Name of partnership

D Employer identification number

REAL ESTATE**AXIAL BASIN RANCH COMPANY****84-1188107**

B Principal product or service

Number, street, and room or suite no. if a P.O. box, see page 13 of the instructions.

E Date business started

HOLDING**5400 BROKEN SOUND BLVD. NW, SUITE 300****10/19/1991**

C Business code number

City or town, state, and ZIP code

F Total assets (see page 13 of the instructions)

6748**BOCA RATON****FL****33487****\$ 2,436,114.**G Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☒ Change in address (4) ☐ Amended returnH Check accounting method: (1) ☐ Cash (2) ☒ Accrual (3) ☐ Other (specify) ▶I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ **2****Caution: Include only trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.**

Income	1 a Gross receipts or sales	1 a		
	b Less returns and allowances	1 b		1 c
	2 Cost of goods sold (Schedule A, line 8)			2
	3 Gross profit. Subtract line 2 from line 1c			3
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)			4
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5
6 Net gain (loss) from Form 4797, Part II, line 18			6	
7 Other income (loss) (attach schedule)			7	
8 Total income (loss). Combine lines 3 through 7			8	
Deductions (see page 14 of the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)			9
	10 Guaranteed payments to partners			10
	11 Repairs and maintenance			11
	12 Bad debts			12
	13 Rent			13
	14 Taxes and licenses			14
	15 Interest			15
	16 a Depreciation (if required, attach Form 4562)	16 a		
	b Less depreciation reported on Schedule A and elsewhere on return	16 b		16 c
	17 Depletion (Do not deduct oil and gas depletion.)			17
	18 Retirement plans, etc.			18
	19 Employee benefit programs			19
	20 Other deductions (attach schedule)			20
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20			21
22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8			22	

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member

Date **8/16/01****Paid Preparer's Use Only**

Preparer's signature

Jacqueline Zumba

Date

8/16/01Check if self-employed ☐

Preparer's SSN or PTIN

Firm's name (or yours if self-employed), address, and ZIP code

BRICEWATERHOUSECOOPERS LLP**200 S. BISCAYNE BLVD., STE. 1900****MIAMI, FL 33131-2330**EIN ▶ **13-4008324**

Phone no.

305-375-7400

For Paperwork Reduction Act Notice, see separate instructions.

Form **1065** (2000)

Form **8736**
(Rev. October 2000)**Application for Automatic Extension of Time
To File U.S. Return for a Partnership, REMIC,
or for Certain Trusts**

OMB No. 1545-1054

Department of the Treasury
Internal Revenue Service► **File a separate application for each return.****Please type or print.**

File by the due date for filing the return for which an extension is requested. See instructions.

Name

AXIAL BASIN RANCH CO.

Employer identification number

84 - 1188107

Number, street, and room or suite no. If a P.O. box, see instructions.

5400 BROKEN SOUND BLVD. NW, STE. 300

City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.

BOCA RATON FL 33487

1 I request an automatic 3-month extension of time to file (check only one):

☐ Form 1041☐ Form 1041-QFT☒ Form 1065☐ Form 1065-B☐ Form 10662 If the entity does not have an office or place of business in the United States, check this box ☐3a For calendar year 20 00, or other tax year beginning _____, 20 _____, and ending _____, 20 _____.

b If this tax year is for less than 12 months, check reason:

☐ Initial return☐ Final return☐ Change in accounting period

4 If this extension is requested for Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066, enter the following amounts:

a Tentative total tax from Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066 (see instructions) . . . \$ _____

b Refundable credits and estimated tax payments, including any prior year overpayment allowed as a credit, from Form 1041, Form 1041-QFT, or Form 1065-B (see instructions). REMICs, enter -0- . . . \$ _____

c Balance due. Subtract line 4b from line 4a. If zero or less, enter -0-. Enclose payment, if any, with

Form 8736 (see instructions) . . . \$ NONE**Caution:** Interest will be charged on any tax not paid by the regular due date of Forms 1041, 1041-QFT, 1065-B, and 1066 from the due date until the tax is paid.**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Use Form 8736 to request an automatic 3-month extension of time to file a return for:

- Trusts filing Form 1041, U.S. Income Tax Return for Estates and Trusts, or Form 1041-QFT, U.S. Income Tax Return for Qualified Funeral Trusts.
- Partnerships filing Form 1065, U.S. Return of Partnership Income, or Form 1065-B, U.S. Return of Income for Electing Large Partnerships.
- Real estate mortgage investment conduits filing Form 1066, U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return.

If allowed, the automatic extension will extend the due date of the return to the 15th day of the 3rd month following the month in which the regular due date falls. The automatic 3-month extension period includes any 2-month extension granted under Regulations section 1.6081-5 to certain foreign partnerships.

Note: An estate filing Form 1041 should not file this form. Instead, it should request an extension using Form 2758, Application for Extension of

Time To File Certain Excise, Income, Information, and Other Returns.

The extension will be allowed if you complete Form 8736 properly, make a proper estimate of the tax on line 4a (if applicable), and file the form on time. We will notify you only if your request for an extension is not allowed.

For most partnerships, trusts, and REMICs, an automatic extension will extend the due date of the return to July 15th of the year following the close of the calendar year.

When To File

File Form 8736 by the regular due date of the return for which an extension is requested (or, in the case of certain foreign partnerships, by the expiration date of any extension of time to file granted under Regulations section 1.6081-5). The regular due date is generally the 15th day of the 4th month following the close of the entity's tax year.

Additional Extension of Time To File

If Form 8736 has already been filed but more time is needed, file Form 8800, Application for Additional Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts.

Except in cases of undue hardship, do not file Form 8800 unless Form 8736 has already been filed. Before an additional extension can be granted, the entity must show reasonable cause for the additional time needed to file.

Ask for the additional extension early so that if it is denied the return can still be filed on time.

Where To File

File Form 8736 with the Internal Revenue Service Center where the entity will file its return.

No Blanket Requests

File a separate Form 8736 for each return for which you are requesting an extension of time to file. This extension will apply only to the specific return checked on line 1. It does not extend the time for filing any related returns. For example, an automatic extension of time to file Form 1065 will not apply to the income tax returns of the partners of the partnership.

Form 1065 (2000)

AXIAL BASIN RANCH COMPANY

84-1188107

Page 2

Schedule A Cost of Goods Sold (see page 17 of the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9 a Check all methods used for valuing closing inventory:

- (i) ☐ Cost as described in Regulations section 1.471-3
 (ii) ☐ Lower of cost or market as described in Regulations section 1.471-4
 (iii) ☐ Other (specify method used and attach explanation) ▶

- b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) . . . ▶ ☐ Yes ☐ No
 c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) . . . ▶ ☐ Yes ☐ No
 d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? . . . ☐ Yes ☐ No
 e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? . . . ☐ Yes ☐ No
 If "Yes," attach explanation.

Schedule B Other Information

		Yes	No
1	What type of entity is filing this return? Check the applicable box:		
a	<input checked="" type="checkbox"/> Domestic general partnership		
b	<input type="checkbox"/> Domestic limited partnership		
c	<input type="checkbox"/> Domestic limited liability company		
d	<input type="checkbox"/> Domestic limited liability partnership		
e	<input type="checkbox"/> Foreign partnership		
f	<input type="checkbox"/> Other ▶		
2	Are any partners in this partnership also partnerships?		X
3	During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment		X
4	Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below		X
5	Does this partnership meet all three of the following requirements?		
a	The partnership's total receipts for the tax year were less than \$250,000;		
b	The partnership's total assets at the end of the tax year were less than \$600,000; and		
c	Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
	If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1.		X
6	Does this partnership have any foreign partners?		X
7	Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		X
8	Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?		X
9	At any time during calendar year 2000, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 19 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. ▶		X
10	During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 19 of the instructions		X
11	Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 7 of the instructions.		X
12	Enter the number of Forms 8865 attached to this return ▶		

Designation of Tax Matters Partner (see page 19 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of
designated TMP ▶Identifying
number of TMP ▶Address of
designated TMP ▶

Schedule K Partners' Shares of Income, Credits, Deductions, etc.

		(a) Distributive share items	(b) Total amount	
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 22)	1	
	2	Net income (loss) from rental real estate activities (attach Form 8825)	2	
	3a	Gross income from other rental activities	3a	
	3b	Expenses from other rental activities (attach schedule)	3b	
	3c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	
	4	Portfolio income (loss): a Interest income SEE STATEMENT 1	4a	17,329.
		b Ordinary dividends	4b	
		c Royalty income	4c	
		d Net short-term capital gain (loss) (attach Schedule D (Form 1065))	4d	
		e Net long-term capital gain (loss) (attach Schedule D (Form 1065)):		
		(1) 28% rate gain (loss) (2) Total for year	4e(2)	
	f Other portfolio income (loss) (attach schedule)	4f		
Deductions	5	Guaranteed payments to partners	5	
	6	Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	6	153,617.
	7	Other income (loss) (attach schedule)	7	
	11	Other deductions (attach schedule)	11	
Credits	12a	Low-income housing credit:		
		(1) From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12a(1)	
		(2) Other than on line 12a(1) for property placed in service before 1990	12a(2)	
		(3) From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12a(3)	
		(4) Other than on line 12a(3) for property placed in service after 1989	12a(4)	
		b Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12b	
		c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	
		d Credits related to other rental activities	12d	
Investment Interest	13	Other credits	13	
	14a	Interest expense on investment debts	14a	
	b	(1) Investment income included on lines 4a, 4b, 4c, and 4f above STMT 1	14b(1)	17,329.
Self-Employment		(2) Investment expenses included on line 10 above	14b(2)	
	15a	Net earnings (loss) from self-employment	15a	
	b	Gross farming or fishing income	15b	
Adjustments and Tax Preference Items	c	Gross nonfarm income	15c	
	16a	Depreciation adjustment on property placed in service after 1986	16a	
	b	Adjusted gain or loss	16b	
	c	Depletion (other than oil and gas)	16c	
	d	(1) Gross income from oil, gas, and geothermal properties	16d(1)	
	e	(2) Deductions allocable to oil, gas, and geothermal properties	16d(2)	
Foreign Taxes		Other adjustments and tax preference items (attach schedule)	16e	
	17a	Name of foreign country or U.S. possession		
	b	Gross income sourced at partner level	17b	
	c	Foreign gross income sourced at partnership level:		
		(1) Passive (2) Listed categories (attach schedule) (3) General limitation	17c(3)	
	d	Deductions allocated and apportioned at partner level:		
		(1) Interest expense (2) Other	17d(2)	
	e	Deductions allocated and apportioned at partnership level to foreign source income:		
Other		(1) Passive (2) Listed categories (attach schedule) (3) General limitation	17e(3)	
	f	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17f	
	g	Reduction in taxes available for credit and gross income from all sources (attach schedule)	17g	
	18	Section 59(e)(2) expenditures: a Type b Amount	18b	
	19	Tax-exempt interest income	19	
	20	Other tax-exempt income	20	
	21	Nondeductible expenses	21	
	22	Distributions of money (cash and marketable securities)	22	447,900.
23	Distributions of property other than money	23		
24	Other items and amounts required to be reported separately to partners (attach schedule)			

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17f, and 18b					1	170,946.
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other
a General partners	170,946.					
b Limited partners						

Schedule L Balance Sheets per Books (Not required if Question 5 on Schedule B is answered "Yes.")

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash				
2a Trade notes and accounts receivable	1,992.		1,990.	
b Less allowance for bad debts		1,992.		1,990.
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)	STMT 2	500,000.		
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets				
b Less accumulated depreciation				
10a Depletable assets				
b Less accumulated depletion				
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach schedule)	STMT 2	1,968,467.		2,434,124.
14 Total assets		2,470,459.		2,436,114.
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)	STMT 2	15,262.		262.
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more		19,345.		
20 Other liabilities (attach schedule)				
21 Partners' capital accounts		2,435,852.		2,435,852.
22 Total liabilities and capital		2,470,459.		2,436,114.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (Not required if Question 5 on Schedule B is answered "Yes." See page 30 of the instructions.)

1	Net income (loss) per books		6	Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2	Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize): STMT 2	170,946.	a	Tax-exempt interest \$	
3	Guaranteed payments (other than health insurance)		7	Deductions included on Schedule K, lines 1 through 11, 14a, 17f, and 18b, not charged against book income this year (itemize):	
4	Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17f, and 18b (itemize):		a	Depreciation \$	
a	Depreciation \$				
b	Travel and entertainment \$		8	Add lines 6 and 7	
5	Add lines 1 through 4	170,946.	9	Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5.	170,946.

Schedule M-2 Analysis of Partners' Capital Accounts (Not required if Question 5 on Schedule B is answered "Yes.")

1	Balance at beginning of year	2,435,852.	6	Distributions: a Cash STMT 2	447,900.
2	Capital contributed during year	447,900.	b	Property	
3	Net income (loss) per books		7	Other decreases (itemize):	
4	Other increases (itemize):				
5	Add lines 1 through 4	2,883,752.	8	Add lines 6 and 7	447,900.
			9	Balance at end of year. Subtract line 8 from line 5	2,435,852.

Form **4797**
Department of the Treasury
Internal Revenue Service (99)**Sales of Business Property**
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

OMB No. 1545-0184

2000Attachment
Sequence No. **27**

▶ Attach to your tax return. ▶ See separate instructions.

Name(s) shown on return

Identifying number

AXIAL BASIN RANCH COMPANY**84-1188107**

1 Enter the gross proceeds from sales or exchanges reported to you for 2000 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (See instructions.)**

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2						
3 Gain, if any, from Form 4684, line 39						3
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37						4 153,617.
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824						5
6 Gain, if any, from line 32, from other than casualty or theft						6
7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: Partnerships (except electing large partnerships). Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6. Skip lines 8, 9, 11, and 12 below. S corporations. Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 8, 9, 11, and 12 below, unless line 7 is a gain and the S corporation is subject to the capital gains tax. All others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on Schedule D and skip lines 8, 9, and 12 below.						7 153,617.
8 Nonrecaptured net section 1231 losses from prior years (see instructions)						8
9 Subtract line 8 from line 7. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions): S corporations. Enter any gain from line 9 on Schedule D (Form 1120S), line 15, and skip lines 11 and 12 below. All others. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below, and enter the gain from line 9 as a long-term capital gain on Schedule D.						9

Part II Ordinary Gains and Losses**10** Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):

11 Loss, if any, from line 7	11 ()
12 Gain, if any, from line 7 or amount from line 8, if applicable	12
13 Gain, if any, from line 31	13
14 Net gain or (loss) from Form 4684, lines 31 and 38a	14
15 Ordinary gain from installment sales from Form 6252, line 25 or 36	15
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824	16
17 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions)	17
18 Combine lines 10 through 17. Enter the gain or (loss) here and on the appropriate line as follows:	18
a For all except individual returns: Enter the gain or (loss) from line 18 on the return being filed.	
b For individual returns:	
(1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions	18b(1)
(2) Redetermine the gain or (loss) on line 18 excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14	18b(2)

For Paperwork Reduction Act Notice, see page 7 of the instructions.

Form **4797** (2000)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶	Property A	Property B	Property C	Property D
20 Gross sales price (Note: See line 1 before completing.)	20			
21 Cost or other basis plus expense of sale	21			
22 Depreciation (or depletion) allowed or allowable	22			
23 Adjusted basis. Subtract line 22 from line 21	23			
24 Total gain. Subtract line 23 from line 20.	24			
25 If section 1245 property:				
a Depreciation allowed or allowable from line 22	25a			
b Enter the smaller of line 24 or 25a	25b			
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.				
a Additional depreciation after 1975 (see instructions)	26a			
b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b			
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c			
d Additional depreciation after 1969 and before 1976	26d			
e Enter the smaller of line 26c or 26d	26e			
f Section 291 amount (corporations only)	26f			
g Add lines 26b, 26e, and 26f	26g			
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).				
a Soil, water, and land clearing expenses	27a			
b Line 27a multiplied by applicable percentage (see instructions)	27b			
c Enter the smaller of line 24 or 27b	27c			
28 If section 1254 property:				
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a			
b Enter the smaller of line 24 or 28a	28b			
29 If section 1255 property:				
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a			
b Enter the smaller of line 24 or 29a (see instructions)	29b			

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30	
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6.	32	

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (See instructions.)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	
34 Recomputed depreciation. See instructions	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

Form 4797 (2000)

Form **4797**Department of the Treasury
Internal Revenue Service (99)**Sales of Business Property**
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB NO. 1545-0044

2000Attachment
Sequence No. **27**

Name(s) shown on return

ALTERNATIVE MINIMUM TAX

Identifying number

AXIAL BASIN RANCH COMPANY**84-1188107**

- 1 Enter the gross proceeds from sales or exchanges reported to you for 2000 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions)

1**Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (See instructions.)**

(a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)
2						

- 3 Gain, if any, from Form 4684, line 39 **3**
- 4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 **4 153,617.**
- 5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 **5**
- 6 Gain, if any, from line 32, from other than casualty or theft **6**
- 7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows: **7 153,617.**

Partnerships (except electing large partnerships). Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6. Skip lines 8, 9, 11, and 12 below.

S corporations. Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 8, 9, 11, and 12 below, unless line 7 is a gain and the S corporation is subject to the capital gains tax.

All others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on Schedule D and skip lines 8, 9, and 12 below.

- 8 Nonrecaptured net section 1231 losses from prior years (see instructions) **8**
- 9 Subtract line 8 from line 7. If zero or less, enter -0-. Also enter on the appropriate line as follows (see instructions): **9**

S corporations. Enter any gain from line 9 on Schedule D (Form 1120S), line 15, and skip lines 11 and 12 below.

All others. If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below, and enter the gain from line 9 as a long-term capital gain on Schedule D.

Part II Ordinary Gains and Losses

- 10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):**

- 11 Loss, if any, from line 7 **11 ()**
- 12 Gain, if any, from line 7 or amount from line 8, if applicable **12**
- 13 Gain, if any, from line 31 **13**
- 14 Net gain or (loss) from Form 4684, lines 31 and 38a **14**
- 15 Ordinary gain from installment sales from Form 6252, line 25 or 36 **15**
- 16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 **16**
- 17 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions) **17**

- 18 Combine lines 10 through 17. Enter the gain or (loss) here and on the appropriate line as follows: **18**
- a For all except individual returns: Enter the gain or (loss) from line 18 on the return being filed.
- b For individual returns:
- (1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions **18b(1)**
- (2) Redetermine the gain or (loss) on line 18 excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14 **18b(2)**

For Paperwork Reduction Act Notice, see page 7 of the instructions.

Form **4797** (2000)

Part III Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		
These columns relate to the properties on lines 19A through 19D. ▶	Property A	Property B
Property C	Property D	
20 Gross sales price (Note: See line 1 before completing.)	20	
21 Cost or other basis plus expense of sale	21	
22 Depreciation (or depletion) allowed or allowable	22	
23 Adjusted basis. Subtract line 22 from line 21	23	
24 Total gain. Subtract line 23 from line 20.	24	
25 If section 1245 property:		
a Depreciation allowed or allowable from line 22	25a	
b Enter the smaller of line 24 or 25a	25b	
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.		
a Additional depreciation after 1975 (see instructions)	26a	
b Applicable percentage multiplied by the smaller of line 24 or line 26a (see instructions)	26b	
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c	
d Additional depreciation after 1969 and before 1976	26d	
e Enter the smaller of line 26c or 26d	26e	
f Section 291 amount (corporations only)	26f	
g Add lines 26b, 26e, and 26f	26g	
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).		
a Soil, water, and land clearing expenses	27a	
b Line 27a multiplied by applicable percentage (see instructions)	27b	
c Enter the smaller of line 24 or 27b	27c	
28 If section 1254 property:		
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, and mining exploration costs (see instructions)	28a	
b Enter the smaller of line 24 or 28a	28b	
29 If section 1255 property:		
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a	
b Enter the smaller of line 24 or 29a (see instructions)	29b	

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 33. Enter the portion from other than casualty or theft on Form 4797, line 6.	32

Part IV Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less (See instructions.)

	(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33	
34 Recomputed depreciation. See instructions	34	
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35	

Form

6252

Department of the Treasury
Internal Revenue Service

▶ See separate instructions. ▶ Attach to your tax return.
▶ Use a separate form for each sale or other disposition of
property on the installment method.

2000

Attachment
Sequence No. 79

Name(s) shown on return

ALTERNATIVE MINIMUM TAX

Identifying number

84-1188107

AXIAL BASIN RANCH COMPANY

- 1 Description of property ▶ VACANT LAND - ROUTT COUNTY COLORADO
- 2a Date acquired (month, day, year) ▶ 01/01/1981 b Date sold (month, day, year) ▶ 10/02/1995
- 3 Was the property sold to a related party after May 14, 1980? See instructions. If "No," skip line 4 ☐ Yes ☒ No
- 4 Was the property you sold to a related party a marketable security? If "Yes," complete Part III. If "No," complete Part III for the year of sale and the 2 years after the year of sale ☐ Yes ☐ No

Part I Gross Profit and Contract Price. Complete this part for the year of sale only.

- | | |
|---|----|
| 5 Selling price including mortgages and other debts. Do not include interest whether stated or unstated | 5 |
| 6 Mortgages and other debts the buyer assumed or took the property subject to, but not new mortgages the buyer got from a bank or other source | 6 |
| 7 Subtract line 6 from line 5 | 7 |
| 8 Cost or other basis of property sold | 8 |
| 9 Depreciation allowed or allowable | 9 |
| 10 Adjusted basis. Subtract line 9 from line 8 | 10 |
| 11 Commissions and other expenses of sale | 11 |
| 12 Income recapture from Form 4797, Part III. See instructions | 12 |
| 13 Add lines 10, 11, and 12 | 13 |
| 14 Subtract line 13 from line 5. If zero or less, stop here. Do not complete the rest of this form | 14 |
| 15 If the property described on line 1 above was your main home, enter the amount of your excluded gain. Otherwise, enter -0-. See instructions | 15 |
| 16 Gross profit. Subtract line 15 from line 14 | 16 |
| 17 Subtract line 13 from line 6. If zero or less, enter -0- | 17 |
| 18 Contract price. Add line 7 and line 17 | 18 |

Part II Installment Sale Income. Complete this part for the year of sale and any year you receive a payment or have certain debts you must treat as a payment on installment obligations.

- | | | |
|--|----|------------|
| 19 Gross profit percentage. Divide line 16 by line 18. For years after the year of sale, see instructions | 19 | 35.677590 |
| 20 For year of sale only: Enter amount from line 17 above; otherwise, enter -0- | 20 | |
| 21 Payments received during year. See instructions. Do not include interest, whether stated or unstated | 21 | 430,571. |
| 22 Add lines 20 and 21 | 22 | 430,571. |
| 23 Payments received in prior years. See instructions. Do not include interest, whether stated or unstated | 23 | 2,728,902. |
| 24 Installment sale income. Multiply line 22 by line 19 | 24 | 153,617. |
| 25 Part of line 24 that is ordinary income under recapture rules. See instructions | 25 | |
| 26 Subtract line 25 from line 24. Enter here and on Schedule D or Form 4797. See instructions | 26 | 153,617. |

Part III Related Party Installment Sale Income. Do not complete if you received the final payment this tax year.

- 27 Name, address, and taxpayer identifying number of related party
- 28 Did the related party resell or dispose of the property ("second disposition") during this tax year? ☐ Yes ☐ No
- 29 If the answer to question 28 is "Yes," complete lines 30 through 37 below unless one of the following conditions is met. Check the box that applies.
- a ☐ The second disposition was more than 2 years after the first disposition (other than dispositions of marketable securities). If this box is checked, enter the date of disposition (month, day, year) ▶
- b ☐ The first disposition was a sale or exchange of stock to the issuing corporation.
- c ☐ The second disposition was an involuntary conversion and the threat of conversion occurred after the first disposition.
- d ☐ The second disposition occurred after the death of the original seller or buyer.
- e ☐ It can be established to the satisfaction of the Internal Revenue Service that tax avoidance was not a principal purpose for either of the dispositions. If this box is checked, attach an explanation. See instructions.
- | | |
|---|----|
| 30 Selling price of property sold by related party | 30 |
| 31 Enter contract price from line 18 for year of first sale | 31 |
| 32 Enter the smaller of line 30 or line 31 | 32 |
| 33 Total payments received by the end of your 2000 tax year. See instructions | 33 |
| 34 Subtract line 33 from line 32. If zero or less, enter -0- | 34 |
| 35 Multiply line 34 by the gross profit percentage on line 19 for year of first sale | 35 |
| 36 Part of line 35 that is ordinary income under recapture rules. See instructions | 36 |
| 37 Subtract line 36 from line 35. Enter here and on Schedule D or Form 4797. See instructions | 37 |

AXIAL BASIN RANCH COMPANY
FORM 1065 SUPPORTING SCHEDULES

=====

SCHEDULE K - LINE 4A - INTEREST INCOME

=====

INTEREST INCOME	17,329.

TOTAL INTEREST INCOME	17,329.
	=====

SCHEDULE K LINE 6 - NET GAIN/LOSS UNDER SECTION 1231

=====

TRADE/BUSINESS ACTIVITIES	153,617.

TOTAL NET GAIN/LOSS UNDER SECTION 1231	153,617.
	=====

SCHEDULE K - LINE 14B(1) - INVESTMENT INCOME

=====

INTEREST INCOME	17,329.

TOTAL INVESTMENT INCOME, SCHEDULE K, LINE 14B(1)	17,329.
	=====

SCHEDULE L - LINE 6 - OTHER CURRENT ASSETS

NOTE RECEIVABLE - SHORT TERM

TOTAL OTHER CURRENT ASSETS

BEGINNING

500,000.

500,000.

ENDING

SCHEDULE L - LINE 13 - OTHER ASSETS

NOTE RECEIVABLE-LONG TERM

INTERCO RECEIVABLE-WR GRACE

TOTAL OTHER ASSETS

BEGINNING

NONE

1,968,467.

1,968,467.

ENDING

2,434,124.

2,434,124.

SCHEDULE L - LINE 17 - OTHER CURRENT LIABILITIES

ACCRUED LIABILITIES

COMMISSION PAYABLE

TOTAL OTHER CURRENT LIABILITIES

BEGINNING

262.

15,000.

15,262.

ENDING

262.

262.

SCHEDULE M-1 - LINE 2 - INCOME SUBJ. TO TAX NOT RECORDED ON BOOKS

INSTALLMENT SALE INCOME

INTEREST INCOME

TOTAL INCOME SUBJECT TO TAX NOT RECORDED ON BOOKS

153,617.

17,329.

170,946.

SCHEDULE M-2 - LINE 2 - CAPITAL CONTRIBUTED DURING YEAR

CAPITAL CONTRIBUTED DURING THE YEAR

TOTAL CAPITAL CONTRIBUTED DURING THE YEAR

447,900.

447,900.

SCHEDULE M-2 - LINE 6A - CASH DISTRIBUTIONS

CASH DISTRIBUTIONS

TOTAL CASH DISTRIBUTIONS

447,900.

447,900.

STATEMENT #2

INSTALLMENT SALE

DESCRIPTION: VACANT LAND - ROUTT COUNTY COLORADO
 DATE OF ACQUISITION: 01/01/1981
 DATE OF SALE: 10/02/1995

1.	GROSS SALES PRICE.....	
2.	MORTGAGE ASSUMED.....	
3.	NET SALES PRICE.....	
4.	ORIGINAL COST.....	
5.	DEPRECIATION ALLOWED.....	
6.	ADJUSTED BASIS - LINE 4 LESS LINE 5.....	
7.	COMMISSIONS AND OTHER EXPENSES OF SALE.....	
8.	INCOME RECAPTURE IN YEAR OF SALE.....	
9.	SUM OF LINES 6,7 AND 8.....	
10.	SUBTRACT LINE 9 FROM LINE 1.....	
11.	GROSS PROFIT.....	
12.	EXCESS OF MORTGAGE OVER COST BASIS.....	
13.	CONTRACT PRICE.....	
14.	GROSS PROFIT PERCENTAGE.....	35.677590
15.	COLLECTED AND REPORTED IN PREVIOUS YEARS -	

TAXABLE YEAR	AMOUNT COLLECTED	PROFIT REPORTED
1999	430,571.	153,617.
1998	489,438.	174,620.
1997	489,438.	174,620.
1996	460,103.	164,154.
1995	859,352.	306,596.

	AMOUNT UNCOLLECTED	PROFIT UNCOLLECTED
17. BEGINNING OF YEAR	-2,728,902.	-973,607.
18. END OF YEAR	-3,159,473.	-1,127,224.
16. AMOUNT COLLECTED IN CURRENT YEAR.....		430,571.
17. PROFIT TO BE REPORTED FOR CURRENT YEAR.....		153,617.

INSTALLMENT SALE

DESCRIPTION: VACANT LAND - ROUTT COUNTY COLORADO
DATE OF ACQUISITION: 01/01/1981
DATE OF SALE: 10/02/1995

1.	GROSS SALES PRICE.....	
2.	MORTGAGE ASSUMED.....	
3.	NET SALES PRICE.....	
4.	ORIGINAL COST.....	
5.	DEPRECIATION ALLOWED.....	
6.	ADJUSTED BASIS - LINE 5 LESS LINE 4.....	
7.	COMMISSIONS AND OTHER EXPENSES OF SALE.....	
8.	INCOME RECAPTURE IN YEAR OF SALE.....	
9.	SUM OF LINES 6,7 AND 8.....	
10.	SUBTRACT LINE 9 FROM LINE 1.....	
12.	GROSS PROFIT.....	
13.	EXCESS OF MORTGAGE OVER COST BASIS.....	
14.	CONTRACT PRICE.....	
15.	GROSS PROFIT PERCENTAGE.....	35.677590

STATEMENT #4

JSA
0F9040 1.000

Partner Address Listing

[illegible]

SCHEDULE K-1
(Form 1065)

 Department of the Treasury
 Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

OMB No. 1545-0099

2000

For calendar year 2000 or tax year beginning

, 2000, and ending

 Partner's identifying number ▶ **22-235544**

 Partnership's identifying number ▶ **84-1188107**

 Partner's name, address, and ZIP code **PARTNER # 1**

Partnership's name, address, and ZIP code

GRACE A-B, INC.
AXIAL BASIN RANCH COMPANY
5400 BROKEN SOUND BLVD. NW, SUITE 300
5400 BROKEN SOUND BLVD. NW, SUITE 300
BOCA RATON, FL 33487
BOCA RATON, FL 33487

 A This partner is a ☒ general partner ☐ limited partner
☐ limited liability company member

 B What type of entity is this partner? ▶ **CORPORATION**

 C Is this partner a ☒ domestic or a ☐ foreign partner?

 D Enter partner's percentage of: (i) Before change or termination (ii) End of year
 Profit sharing % **50.000000** %
 Loss sharing % **50.000000** %
 Ownership of capital % **50.000000** %

 E IRS Center where partnership filed return: **ATLANTA**

F Partner's share of liabilities (see instructions):

Nonrecourse

Qualified nonrecourse financing

 Other **131.**

G Tax shelter registration number ▶

 H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

 I Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
1,529,156.	223,950.		(223,950.)	1,529,156.

	(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		Sch. B, Part I, line 1 Sch. B, Part II, line 5 Sch. E, Part I, line 4 Sch. D, line 5, col. (f) Sch. D, line 12, col. (g) Sch. D, line 12, col. (f) Enter on applicable line of your return.
	a Interest	4a 8,665.	
	b Ordinary dividends	4b	
	c Royalties	4c	
	d Net short-term capital gain (loss)	4d	
	e Net long-term capital gain (loss):		
	(1) 28% rate gain (loss)	4e(1)	
Deductions	(2) Total for year	4e(2)	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065). Enter on applicable line of your return.
	f Other portfolio income (loss) (attach schedule)	4f	
	5 Guaranteed payments to partner	5	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065). Enter on applicable line of your return.
	6 Net section 1231 gain (loss) (other than due to casualty or theft)	6 76,809.	
	7 Other income (loss) (attach schedule)	7	
	8 Charitable contributions (see instructions) (attach schedule)	8	Sch. A, line 15 or 16 See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	9 Section 179 expense deduction	9	
	10 Deductions related to portfolio income (attach schedule)	10	
	11 Other deductions (attach schedule)	11	Form 8586, line 5 See page 8 of Partner's Instructions for Schedule K-1 (Form 1065)
Credits	12a Low-income housing credit:		
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	12a(1)	
	(2) Other than on line 12a(1) for property placed in service before 1990	12a(2)	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	12a(3)	
	(4) Other than on line 12a(3) for property placed in service after 1989	12a(4)	
	b Qualified rehabilitation expenditures related to rental real estate activities	12b	See page 8 of Partner's Instructions for Schedule K-1 (Form 1065)
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	
	d Credits related to other rental activities	12d	
	13 Other credits	13	

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2000

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Investment Interest	14 a Interest expense on investment debts	14a	Form 4952, line 1 See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f	b(1) 8,665.	
	(2) Investment expenses included on line 10	b(2)	
Self-employment	15 a Net earnings (loss) from self-employment	15a	Sch. SE, Section A or B See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b Gross farming or fishing income	15b	
	c Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16 a Depreciation adjustment on property placed in service after 1986	16a	See page 9 of Partner's instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.
	b Adjusted gain or loss	16b	
	c Depletion (other than oil and gas)	16c	
	d (1) Gross income from oil, gas, and geothermal properties	d(1)	
	(2) Deductions allocable to oil, gas, and geothermal properties	d(2)	
	e Other adjustments and tax preference items (attach schedule)	16e	
Foreign Taxes	17 a Name of foreign country or U.S. possession ▶	17a	Form 1116, Part I
	b Gross income sourced at partner level	17b	
	c Foreign gross income sourced at partnership level:		
	(1) Passive	17c(1)	
	(2) Listed categories (attach schedule)	17c(2)	
	(3) General limitation	17c(3)	
	d Deductions allocated and apportioned at partner level:		
	(1) Interest expense	17d(1)	
	(2) Other	17d(2)	
	e Deductions allocated and apportioned at partnership level to foreign source income:		
	(1) Passive	17e(1)	
	(2) Listed categories (attach schedule)	17e(2)	
(3) General limitation	17e(3)		
f Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17f	Form 1116, Part II	
g Reduction in taxes available for credit and gross income from all sources (attach schedule)	17g	See Instructions for Form 1116.	
Other	18 Section 59(e)(2) expenditures: a Type ▶		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).
	b Amount	18b	
	19 Tax-exempt interest income	19	Form 1040, line 8b
	20 Other tax-exempt income	20	See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065).
	21 Nondeductible expenses	21	
	22 Distributions of money (cash and marketable securities)	22 223,950.	
	23 Distributions of property other than money	23	
	24 Recapture of low-income housing credit:		Form 8611, line 8
a From section 42(j)(5) partnerships	24a		
b Other than on line 24a	24b		
Supplemental Information	25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):		

PARTNER'S SCHEDULE OF ACTIVITIES

04-1100107

PARTNER # 1 GRACE A-B, INC.

Activity Name(s) and Type of Income:

A AXIAL BASIN RANCH COMPANY

B AXIAL BASIN RANCH COMPANY

Disposed
ActivityQualified
Low-Income
HousingPublicly
Traded
PartnershipPass-through
Activity

NO

NO

NO

NO

NO

NO

NO

NO

E

	Activity A	Activity B	Activity C	Activity D	Activity E
Schedule K-1 Line References	PORTFOLIO	GEN. T/B			
1. Ordinary income					
2. Rental real estate income . . .					
3. Other rental income					
4a. Interest income	8,665.				
4b. Ordinary dividends					
4c. Royalties					
4d. Short-term capital gain/loss . .					
4e.(1) 28% Rate Long-term capital gain/loss					
4e.(2) Total Long-term capital gain/loss .					
4f. Other portfolio income/loss . .					
5. Guaranteed payments					
6. Net Section 1231 gain/loss . .		76,809.			
7. Other income					
8. Charitable contributions					
9. Section 179 expense					
10. Deductions for portfolio income					
11. Other deductions					
12a.(1) Elec. pre-90 low-inc. housing cr.					
12a.(2) Other pre-90 low-inc. housing cr.					
12a.(3) Elec. post-89 low-inc. housing cr.					
12a.(4) Other post-89 low-inc. housing cr. .					
Qualified rehab. expenditures . . .					
12c. Rental real estate credits . . .					
12d. Other rental credits					
13. Other credits					
14a. Interest expense on inv. debts . .					
14b.(1) Investment income	8,665.				
14b.(2) Investment expense					
16a. Depr. adj. on post-86 property . .					
16b. Adjusted gain/loss					
16c. Depletion					
16d.(1) Gross income oil/gas/geoth . .					
16d.(2) Deductions alloc. to oil/gas prop.					
16e. Other tax preference					
17b. Total gross income (ptr level). .					
17c.(1) Passive (ptrshp level)					
17c.(2) Listed categories (ptrshp level).					
17c.(3) General limitation (ptrshp level)					
17d.(1) Interest exp. allo. & appt. (ptr level) .					
17d.(2) Other deductions allo. & appt. (ptr level) .					
17e.(1) Passive deductions (ptrshp level)					
17e.(2) Listed categories (ptrshp level).					
17e.(3) General limitation (ptrshp level)					
17f. Total foreign taxes.					
17g. Reduction in taxes avail. for credit .					
18b. Section 59(e) expenditures . . .					
Tax-exempt interest income . . .					
Other tax-exempt income					
21. Nondeductible expenses.					
24a. Low-inc. housing credit recap. . .					
24b. Other than Sec. 42(j)(5)					
25. Supplemental Information					

AXIAL BASIN RANCH COMPANY

SCH K-1 SUPPORTING SCHEDULES PARTNER # 1 GRACE A-B, INC.

=====

ITEM F, OTHER LIABILITIES

=====

OTHER CURRENT LIABILITIES

131.

TOTAL OTHER LIABILITIES

131.

=====

LINE 6 - NET SECTION 1231 GAIN (LOSS)

=====

OTHER (GENERAL BUSINESS)

76,809.

TOTAL NET SECTION 1231 GAIN (LOSS)

76,809.

=====

STATEMENT #1

**SCHEDULE K-1
(Form 1065)**Department of the Treasury
Internal Revenue Service**Partner's Share of Income, Credits, Deductions, etc.**

▶ See separate instructions.

OMB No. 1545-0099

2000

For calendar year 2000 or tax year beginning

, 2000, and ending

Partner's identifying number ▶ 58-1969353**Partnership's identifying number ▶ 84-1188107**

Partner's name, address, and ZIP code **PARTNER # 2**
GRACE A-B II, INC.
5400 BROKEN SOUND BLVD. NW, SUITE
300
BOCA RATON, FL 33487

Partnership's name, address, and ZIP code
AXIAL BASIN RANCH COMPANY
5400 BROKEN SOUND BLVD. NW, SUITE
300
BOCA RATON, FL 33487

A This partner is a ☒ general partner ☐ limited partner
☐ limited liability company member

B What type of entity is this partner? ▶ **CORPORATION**

C Is this partner a ☒ domestic or a ☐ foreign partner?

D Enter partner's percentage of: (i) Before change or termination (ii) End of year

Profit sharing	% 50.000000 %
Loss sharing	% 50.000000 %
Ownership of capital	% 50.000000 %

E IRS Center where partnership filed return: **ATLANTA**

F Partner's share of liabilities (see instructions):

Nonrecourse
 Qualified nonrecourse financing
 Other **131.**

G Tax shelter registration number ▶

H Check here if this partnership is a publicly traded partnership as defined in section 469(k)(2) ☐

I Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
906,696.	223,950.		(223,950.)	906,696.

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest	4a 8,664.	Sch. B, Part I, line 1
	b Ordinary dividends	4b	Sch. B, Part II, line 5
	c Royalties	4c	Sch. E, Part I, line 4
	d Net short-term capital gain (loss)	4d	Sch. D, line 5, col. (f)
	e Net long-term capital gain (loss):		
	(1) 28% rate gain (loss)	4e(1)	Sch. D, line 12, col. (g)
	(2) Total for year	4e(2)	Sch. D, line 12, col. (f)
	f Other portfolio income (loss) (attach schedule)	4f	Enter on applicable line of your return.
	5 Guaranteed payments to partner	5	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	6 Net section 1231 gain (loss) (other than due to casualty or theft)	6 76,808.	
	7 Other income (loss) (attach schedule)	7	Enter on applicable line of your return.
Deductions	8 Charitable contributions (see instructions) (attach schedule)	8	Sch. A, line 15 or 16
	9 Section 179 expense deduction	9	See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	10 Deductions related to portfolio income (attach schedule)	10	
	11 Other deductions (attach schedule)	11	
Credits	12a Low-income housing credit:		Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	12a(1)	
	(2) Other than on line 12a(1) for property placed in service before 1990	12a(2)	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	12a(3)	
	(4) Other than on line 12a(3) for property placed in service after 1989	12a(4)	
	b Qualified rehabilitation expenditures related to rental real estate activities	12b	See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	
	d Credits related to other rental activities	12d	
	13 Other credits	13	

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2000

(a) Distributive share item		(b) Amount	(c) 1040 filers enter the amount in column (b) on:	
Investment Interest	14 a Interest expense on investment debts	14a	Form 4952, line 1 See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).	
	b (1) Investment income included on lines 4a, 4b, 4c, and 4f	b(1)		8,664.
	(2) Investment expenses included on line 10	b(2)		
Self-employment	15 a Net earnings (loss) from self-employment	15a	Sch. SE, Section A or B See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).	
	b Gross farming or fishing income	15b		
	c Gross nonfarm income	15c		
Adjustments and Tax Preference Items	16 a Depreciation adjustment on property placed in service after 1986	16a	See page 9 of Partner's Instructions for Schedule K-1 (Form 1065) and Instructions for Form 6251.	
	b Adjusted gain or loss	16b		
	c Depletion (other than oil and gas)	16c		
	d (1) Gross income from oil, gas, and geothermal properties	d(1)		
	(2) Deductions allocable to oil, gas, and geothermal properties	d(2)		
	e Other adjustments and tax preference items (attach schedule)	16e		
Foreign Taxes	17 a Name of foreign country or U.S. possession ▶		Form 1116, Part I	
	b Gross income sourced at partner level	17b		
	c Foreign gross income sourced at partnership level:			
	(1) Passive	17c(1)		
	(2) Listed categories (attach schedule)	17c(2)		
	(3) General limitation	17c(3)		
	d Deductions allocated and apportioned at partner level:			
	(1) Interest expense	17d(1)		
	(2) Other	17d(2)		
	e Deductions allocated and apportioned at partnership level to foreign source income:			
	(1) Passive	17e(1)		
(2) Listed categories (attach schedule)	17e(2)			
(3) General limitation	17e(3)			
f Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17f		Form 1116, Part II	
g Reduction in taxes available for credit and gross income from all sources (attach schedule)	17g		See Instructions for Form 1116.	
Other	18 Section 59(e)(2) expenditures: a Type ▶		See page 9 of Partner's Instructions for Schedule K-1 (Form 1065).	
	b Amount	18b		
	19 Tax-exempt interest income	19	Form 1040, line 8b	
	20 Other tax-exempt income	20	See pages 9 and 10 of Partner's Instructions for Schedule K-1 (Form 1065).	
	21 Nondeductible expenses	21		
	22 Distributions of money (cash and marketable securities)	22		223,950.
	23 Distributions of property other than money	23		
	24 Recapture of low-income housing credit:		Form 8611, line 8	
a From section 42(j)(5) partnerships	24a			
b Other than on line 24a	24b			
Supplemental Information	25 Supplemental information required to be reported separately to each partner (attach additional schedules if more space is needed):			

PARTNER'S SCHEDULE OF ACTIVITIES

84-1188107

PARTNER # 2 GRACE A-B II, INC.

Activity Name(s) and Type of Income:

A AXIAL BASIN RANCH COMPANY

B AXIAL BASIN RANCH COMPANY

Disposed
ActivityQualified
Low-Income
HousingPublicly
Traded
PartnershipPass-through
Activity

NO

NO

NO

NO

NO

NO

NO

NO

E

	Activity A	Activity B	Activity C	Activity D	Activity E
Schedule K-1 Line References	PORTFOLIO	GEN. T/B			
1. Ordinary income					
2. Rental real estate income					
3. Other rental income					
4a. Interest income	8,664.				
4b. Ordinary dividends					
4c. Royalties					
4d. Short-term capital gain/loss					
4e.(1) 28% Rate Long-term capital gain/loss					
4e.(2) Total Long-term capital gain/loss					
4f. Other portfolio income/loss					
5. Guaranteed payments					
6. Net Section 1231 gain/loss		76,808.			
7. Other income					
8. Charitable contributions					
9. Section 179 expense					
10. Deductions for portfolio income					
11. Other deductions					
12a.(1) Elec. pre-90 low-inc. housing cr.					
12a.(2) Other pre-90 low-inc. housing cr.					
12a.(3) Elec. post-89 low-inc. housing cr.					
12a.(4) Other post-89 low-inc. housing cr.					
Qualified rehab. expenditures					
12c. Rental real estate credits					
12d. Other rental credits					
13. Other credits					
14a. Interest expense on inv. debts					
14b.(1) Investment income	8,664.				
14b.(2) Investment expense					
16a. Depr. adj. on post-86 property					
16b. Adjusted gain/loss					
16c. Depletion					
16d.(1) Gross income oil/gas/geoth					
16d.(2) Deductions alloc. to oil/gas prop					
16e. Other tax preference					
17b. Total gross income (ptr level)					
17c.(1) Passive (ptrshp level)					
17c.(2) Listed categories (ptrshp level)					
17c.(3) General limitation (ptrshp level)					
17d.(1) Interest exp. allo. & appt. (ptr level)					
17d.(2) Other deductions allo. & appt. (ptr level)					
17e.(1) Passive deductions (ptrshp level)					
17e.(2) Listed categories (ptrshp level)					
17e.(3) General limitation (ptrshp level)					
17f. Total foreign taxes					
17g. Reduction in taxes avail. for credit					
18b. Section 59(e) expenditures					
Tax-exempt interest income					
Other tax-exempt income					
21. Nondeductible expenses					
24a. Low-inc. housing credit recap.					
24b. Other than Sec. 42(j)(5)					
25. Supplemental Information					

=====

ITEM F, OTHER LIABILITIES	
=====	
OTHER CURRENT LIABILITIES	131.

TOTAL OTHER LIABILITIES	131.
	=====

LINE 6 - NET SECTION 1231 GAIN (LOSS)

=====

OTHER (GENERAL BUSINESS)	76,808.

TOTAL NET SECTION 1231 GAIN (LOSS)	76,808.
	=====

Form 1065 Department of the Treasury Internal Revenue Service	U.S. Return of Partnership Income For calendar year 2000, or tax year beginning _____, 2000, and ending _____ ▶ See separate instructions.	OMB No. 1545-0099 2000
A Principal business activity LICENSE TECHNOLOGY B Principal product or service COAL TRANSPORT C Business code number 484200	Name of partnership CARBON DIOXIDE SLURRY SYSTEMS, LP Number, street, and room or suite no. if a P.O. box, see page 13 of the instructions. 5400 BROKEN SOUND BLVD. NW, SUITE 300 City or town, state, and ZIP code BOCA RATON FL 33487	D Employer identification number 75-1830401 E Date business started 10/25/1982 F Total assets (see page 13 of the instructions) \$ 1,838.
G Check applicable boxes: (1) <input type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input checked="" type="checkbox"/> Change in address (4) <input type="checkbox"/> Amended return H Check accounting method: (1) <input type="checkbox"/> Cash (2) <input checked="" type="checkbox"/> Accrual (3) <input type="checkbox"/> Other (specify) _____ I Number of Schedules K-1. Attach one for each person who was a partner at any time during the tax year ▶ 2		

Caution: Include **only** trade or business income and expenses on lines 1a through 22 below. See the instructions for more information.

Income	1 a Gross receipts or sales	1 a		1 c	
	b Less returns and allowances	1 b		1 c	
	2 Cost of goods sold (Schedule A, line 8)			2	
	3 Gross profit. Subtract line 2 from line 1c			3	
	4 Ordinary income (loss) from other partnerships, estates, and trusts (attach schedule)			4	
	5 Net farm profit (loss) (attach Schedule F (Form 1040))			5	
	6 Net gain (loss) from Form 4797, Part II, line 18			6	
	7 Other income (loss) (attach schedule)			7	
	8 Total income (loss). Combine lines 3 through 7			8	
Deductions (see page 14 of the instructions for limitations)	9 Salaries and wages (other than to partners) (less employment credits)			9	
	10 Guaranteed payments to partners			10	
	11 Repairs and maintenance			11	
	12 Bad debts			12	
	13 Rent			13	
	14 Taxes and licenses			14	
	15 Interest			15	
	16 a Depreciation (if required, attach Form 4562)	16 a			
	b Less depreciation reported on Schedule A and elsewhere on return	16 b		16 c	
	17 Depletion (Do not deduct oil and gas depletion.)			17	
	18 Retirement plans, etc.			18	
	19 Employee benefit programs			19	
	20 Other deductions (attach schedule)			20	
	21 Total deductions. Add the amounts shown in the far right column for lines 9 through 20.			21	
	22 Ordinary income (loss) from trade or business activities. Subtract line 21 from line 8.			22	

Please Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than general partner or limited liability company member) is based on all information of which preparer has any knowledge.

Signature of general partner or limited liability company member: *Edmund H. Felt* Date: 8/16/01

Paid Preparer's Use Only	Preparer's signature: <u><i>Jacqueline Ziemba</i></u>	Date: <u>8/9/01</u>	Check if self-employed <input type="checkbox"/>	Preparer's SSN or PTIN: <u>13-4008324</u>
	Firm's name (or your self-employed), address, and ZIP code: <u>PRICEWATERHOUSECOOPERS LLP</u> <u>200 S. BISCAYNE BLVD., STE. 1900</u> <u>MIAMI, FL 33131-2330</u>			Phone no.: <u>305-375-7400</u>

For Paperwork Reduction Act Notice, see separate instructions.

Form **1065** (2000)

Form **8736**
(Rev. October 2000)**Application for Automatic Extension of Time
To File U.S. Return for a Partnership, REMIC,
or for Certain Trusts**

OMB No. 1545-1054

Department of the Treasury
Internal Revenue Service

► File a separate application for each return.

**Please type
or print.**File by the due
date for filing
the return for
which an
extension is
requested. See
instructions.

Name

CARBON DIOXIDE SLURRY SYSTEMS, LP

Employer identification number

75-1830401

Number, street, and room or suite no. If a P.O. box, see instructions.

5400 BROKEN SOUND BLVD. NW, STE. 300

City or town, state, and ZIP code. If a foreign address, enter city, province or state, and country. Follow the country's practice for entering the postal code.

BOCA RATON FL 33487

1 I request an automatic 3-month extension of time to file (check only one):

☐ Form 1041 ☐ Form 1041-QFT ☒ Form 1065 ☐ Form 1065-B ☐ Form 10662 If the entity does not have an office or place of business in the United States, check this box ☐3a For calendar year 20 00, or other tax year beginning _____, 20 _____, and ending _____, 20 _____.

b If this tax year is for less than 12 months, check reason:

☐ Initial return ☐ Final return ☐ Change in accounting period

4 If this extension is requested for Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066, enter the following amounts:

a Tentative total tax from Form 1041, Form 1041-QFT, Form 1065-B, or Form 1066 (see instructions) ... \$ _____

b Refundable credits and estimated tax payments, including any prior year overpayment allowed as a credit, from Form 1041, Form 1041-QFT, or Form 1065-B (see instructions). REMICs, enter -0- ... \$ _____

c Balance due. Subtract line 4b from line 4a. If zero or less, enter -0-. Enclose payment, if any, with Form 8736 (see instructions) ... \$ NONE**Caution:** Interest will be charged on any tax not paid by the regular due date of Forms 1041, 1041-QFT, 1065-B, and 1066 from the due date until the tax is paid.**General Instructions**

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of Form

Use Form 8736 to request an automatic 3-month extension of time to file a return for:

- Trusts filing Form 1041, U.S. Income Tax Return for Estates and Trusts, or Form 1041-QFT, U.S. Income Tax Return for Qualified Funeral Trusts.
- Partnerships filing Form 1065, U.S. Return of Partnership Income, or Form 1065-B, U.S. Return of Income for Electing Large Partnerships.
- Real estate mortgage investment conduits filing Form 1066, U.S. Real Estate Mortgage Investment Conduit (REMIC) Income Tax Return.

If allowed, the automatic extension will extend the due date of the return to the 15th day of the 3rd month following the month in which the regular due date falls. The automatic 3-month extension period includes any 2-month extension granted under Regulations section 1.6081-5 to certain foreign partnerships.

Note: An estate filing Form 1041 should not file this form. Instead, it should request an extension using Form 2758, Application for Extension of

Time To File Certain Excise, Income, Information, and Other Returns.

The extension will be allowed if you complete Form 8736 properly, make a proper estimate of the tax on line 4a (if applicable), and file the form on time. We will notify you only if your request for an extension is not allowed.

For most partnerships, trusts, and REMICs, an automatic extension will extend the due date of the return to July 15th of the year following the close of the calendar year.

When To File

File Form 8736 by the regular due date of the return for which an extension is requested (or, in the case of certain foreign partnerships, by the expiration date of any extension of time to file granted under Regulations section 1.6081-5). The regular due date is generally the 15th day of the 4th month following the close of the entity's tax year.

Additional Extension of Time To File

If Form 8736 has already been filed but more time is needed, file Form 8800, Application for Additional Extension of Time To File U.S. Return for a Partnership, REMIC, or for Certain Trusts.

Except in cases of undue hardship, do not file Form 8800 unless Form 8736 has already been filed. Before an additional extension can be granted, the entity must show reasonable cause for the additional time needed to file.

Ask for the additional extension early so that if it is denied the return can still be filed on time.

Where To File

File Form 8736 with the Internal Revenue Service Center where the entity will file its return.

No Blanket Requests

File a separate Form 8736 for each return for which you are requesting an extension of time to file. This extension will apply only to the specific return checked on line 1. It does not extend the time for filing any related returns. For example, an automatic extension of time to file Form 1065 will not apply to the income tax returns of the partners of the partnership.

Form 1065 (2000) **CARBON DIOXIDE SLURRY SYSTEMS, LP**

75-1830401 Page 2

Schedule A Cost of Goods Sold (see page 17 of the instructions)

1	Inventory at beginning of year	1	
2	Purchases less cost of items withdrawn for personal use	2	
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	
7	Inventory at end of year	7	
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	

9 a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☐ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (specify method used and attach explanation) _____

b Check this box if there was a writedown of "subnormal" goods as described in Regulations section 1.471-2(c) ☐

c Check this box if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ☐

d Do the rules of section 263A (for property produced or acquired for resale) apply to the partnership? ☐ Yes ☒ No

e Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☐ No

If "Yes," attach explanation.

Schedule B Other Information

	Yes	No
1 What type of entity is filing this return? Check the applicable box:		
a <input type="checkbox"/> Domestic general partnership		
b <input checked="" type="checkbox"/> Domestic limited partnership		
c <input type="checkbox"/> Domestic limited liability company		
d <input type="checkbox"/> Domestic limited liability partnership		
e <input type="checkbox"/> Foreign partnership		
f <input type="checkbox"/> Other _____		
2 Are any partners in this partnership also partnerships?		<input checked="" type="checkbox"/>
3 During the partnership's tax year, did the partnership own any interest in another partnership or in any foreign entity that was disregarded as an entity separate from its owner under Regulations sections 301.7701-2 and 301.7701-3? If yes, see instructions for required attachment		<input checked="" type="checkbox"/>
4 Is this partnership subject to the consolidated audit procedures of sections 6221 through 6233? If "Yes," see Designation of Tax Matters Partner below		<input checked="" type="checkbox"/>
5 Does this partnership meet all three of the following requirements?		
a The partnership's total receipts for the tax year were less than \$250,000;		
b The partnership's total assets at the end of the tax year were less than \$600,000; and		
c Schedules K-1 are filed with the return and furnished to the partners on or before the due date (including extensions) for the partnership return.		
If "Yes," the partnership is not required to complete Schedules L, M-1, and M-2; Item F on page 1 of Form 1065; or Item J on Schedule K-1.		<input checked="" type="checkbox"/>
6 Does this partnership have any foreign partners?		<input checked="" type="checkbox"/>
7 Is this partnership a publicly traded partnership as defined in section 469(k)(2)?		<input checked="" type="checkbox"/>
8 Has this partnership filed, or is it required to file, Form 8264, Application for Registration of a Tax Shelter?		<input checked="" type="checkbox"/>
9 At any time during calendar year 2000, did the partnership have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? See page 19 of the instructions for exceptions and filing requirements for Form TD F 90-22.1. If "Yes," enter the name of the foreign country. _____		<input checked="" type="checkbox"/>
10 During the tax year, did the partnership receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," the partnership may have to file Form 3520. See page 19 of the instructions		<input checked="" type="checkbox"/>
11 Was there a distribution of property or a transfer (e.g., by sale or death) of a partnership interest during the tax year? If "Yes," you may elect to adjust the basis of the partnership's assets under section 754 by attaching the statement described under Elections Made By the Partnership on page 7 of the instructions.		<input checked="" type="checkbox"/>
12 Enter the number of Forms 8865 attached to this return _____		

Designation of Tax Matters Partner (see page 19 of the instructions)

Enter below the general partner designated as the tax matters partner (TMP) for the tax year of this return:

Name of
designated TMPIdentifying
number of TMPAddress of
designated TMP

Schedule K Partners' Shares of Income, Credits, Deductions, etc.

		(a) Distributive share items	(b) Total amount	
Income (Loss)	1	Ordinary income (loss) from trade or business activities (page 1, line 22)	1	
	2	Net income (loss) from rental real estate activities (attach Form 8825)	2	
	3a	Gross income from other rental activities	3a	
	b	Expenses from other rental activities (attach schedule)	3b	
	c	Net income (loss) from other rental activities. Subtract line 3b from line 3a	3c	
	4	Portfolio income (loss): a Interest income	4a	
	b	Ordinary dividends	4b	
	c	Royalty income	4c	
	d	Net short-term capital gain (loss) (attach Schedule D (Form 1065))	4d	
	e	Net long-term capital gain (loss) (attach Schedule D (Form 1065)):		
	(1) 28% rate gain (loss) ▶ (2) Total for year ▶	4e(2)		
f	Other portfolio income (loss) (attach schedule)	4f		
5	Guaranteed payments to partners	5		
6	Net section 1231 gain (loss) (other than due to casualty or theft) (attach Form 4797)	6		
7	Other income (loss) (attach schedule)	7		
Deductions	8	Charitable contributions (attach schedule)	8	
	9	Section 179 expense deduction (attach Form 4562)	9	
	10	Deductions related to portfolio income (itemize)	10	
	11	Other deductions (attach schedule)	11	
Credits	12a	Low-income housing credit:		
	(1)	From partnerships to which section 42(j)(5) applies for property placed in service before 1990	12a(1)	
	(2)	Other than on line 12a(1) for property placed in service before 1990	12a(2)	
	(3)	From partnerships to which section 42(j)(5) applies for property placed in service after 1989	12a(3)	
	(4)	Other than on line 12a(3) for property placed in service after 1989	12a(4)	
	b	Qualified rehabilitation expenditures related to rental real estate activities (attach Form 3468)	12b	
	c	Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	
	d	Credits related to other rental activities	12d	
13	Other credits	13		
Investment Interest	14a	Interest expense on investment debts	14a	
	b (1)	Investment income included on lines 4a, 4b, 4c, and 4f above	14b(1)	
	(2)	Investment expenses included on line 10 above	14b(2)	
Self-Employment	15a	Net earnings (loss) from self-employment	15a	
	b	Gross farming or fishing income	15b	
	c	Gross nonfarm income	15c	
Adjustments and Tax Preference Items	16a	Depreciation adjustment on property placed in service after 1986	16a	
	b	Adjusted gain or loss	16b	
	c	Depletion (other than oil and gas)	16c	
	d (1)	Gross income from oil, gas, and geothermal properties	16d(1)	
	(2)	Deductions allocable to oil, gas, and geothermal properties	16d(2)	
	e	Other adjustments and tax preference items (attach schedule)	16e	
Foreign Taxes	17a	Name of foreign country or U.S. possession ▶		
	b	Gross income sourced at partner level	17b	
	c	Foreign gross income sourced at partnership level:		
	(1) Passive ▶ (2) Listed categories (attach schedule) ▶ (3) General limitation ▶	17c(3)		
	d	Deductions allocated and apportioned at partner level:		
	(1) Interest expense ▶ (2) Other ▶	17d(2)		
	e	Deductions allocated and apportioned at partnership level to foreign source income:		
	(1) Passive ▶ (2) Listed categories (attach schedule) ▶ (3) General limitation ▶	17e(3)		
	f	Total foreign taxes (check one): <input type="checkbox"/> Paid <input type="checkbox"/> Accrued	17f	
g	Reduction in taxes available for credit and gross income from all sources (attach schedule)	17g		
Other	18	Section 59(e)(2) expenditures: a Type ▶ b Amount ▶	18b	
	19	Tax-exempt interest income	19	
	20	Other tax-exempt income	20	
	21	Nondeductible expenses	21	
	22	Distributions of money (cash and marketable securities)	22	
	23	Distributions of property other than money	23	
	24	Other items and amounts required to be reported separately to partners (attach schedule)		

Analysis of Net Income (Loss)

1 Net income (loss). Combine Schedule K, lines 1 through 7 in column (b). From the result, subtract the sum of Schedule K, lines 8 through 11, 14a, 17f, and 18b							1
2 Analysis by partner type:	(i) Corporate	(ii) Individual (active)	(iii) Individual (passive)	(iv) Partnership	(v) Exempt organization	(vi) Nominee/Other	
a General partners							
b Limited partners							

Schedule L Balance Sheets per Books (Not required if Question 5 on Schedule B is answered "Yes.")

Assets	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
1 Cash		1,838.		1,838.
2a Trade notes and accounts receivable				
b Less allowance for bad debts				
3 Inventories				
4 U.S. government obligations				
5 Tax-exempt securities				
6 Other current assets (attach schedule)				
7 Mortgage and real estate loans				
8 Other investments (attach schedule)				
9a Buildings and other depreciable assets				
b Less accumulated depreciation				
10a Depletable assets	2,190,000.		2,190,000.	
b Less accumulated depletion	2,190,000.		2,190,000.	
11 Land (net of any amortization)				
12a Intangible assets (amortizable only)				
b Less accumulated amortization				
13 Other assets (attach schedule)				
14 Total assets		1,838.		1,838.
Liabilities and Capital				
15 Accounts payable				
16 Mortgages, notes, bonds payable in less than 1 year				
17 Other current liabilities (attach schedule)				
18 All nonrecourse loans				
19 Mortgages, notes, bonds payable in 1 year or more				
20 Other liabilities (attach schedule)				
21 Partners' capital accounts		1,838.		1,838.
22 Total liabilities and capital		1,838.		1,838.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return (Not required if Question 5 on Schedule B is answered "Yes." See page 30 of the instructions.)

1 Net income (loss) per books		6 Income recorded on books this year not included on Schedule K, lines 1 through 7 (itemize):	
2 Income included on Schedule K, lines 1 through 4, 6, and 7, not recorded on books this year (itemize):		a Tax-exempt interest \$	
3 Guaranteed payments (other than health insurance)		7 Deductions included on Schedule K, lines 1 through 11, 14a, 17f, and 18b, not charged against book income this year (itemize):	
4 Expenses recorded on books this year not included on Schedule K, lines 1 through 11, 14a, 17f, and 18b (itemize):		a Depreciation \$	
a Depreciation \$			
b Travel and entertainment \$		8 Add lines 6 and 7	
5 Add lines 1 through 4		9 Income (loss) (Analysis of Net Income (Loss), line 1). Subtract line 8 from line 5.	

Schedule M-2 Analysis of Partners' Capital Accounts (Not required if Question 5 on Schedule B is answered "Yes.")

1 Balance at beginning of year	1,838.	6 Distributions: a Cash	
2 Capital contributed during year		b Property	
3 Net income (loss) per books		7 Other decreases (itemize):	
4 Other increases (itemize):			
5 Add lines 1 through 4	1,838.	8 Add lines 6 and 7	
		9 Balance at end of year. Subtract line 8 from line 5	1,838.

[illegible]

Partner Address Listing

[illegible]

SCHEDULE K-1
(Form 1065)

 Department of the Treasury
 Internal Revenue Service

Partner's Share of Income, Credits, Deductions, etc.

▶ See separate instructions.

OMB No. 1545-0099

2000

For calendar year 2000 or tax year beginning , 2000, and ending

 Partner's identifying number ▶ **04-1549700**

 Partnership's identifying number ▶ **75-1830401**

 Partner's name, address, and ZIP code **PARTNER # 1**
ARTHUR D. LITTLE, INC.
25 ACORN PARK
CAMBRIDGE, MA 02140

Partnership's name, address, and ZIP code

CARBON DIOXIDE SLURRY SYSTEMS, LP
5400 BROKEN SOUND BLVD. NW, SUITE
300
BOCA RATON, FL 33487

 A This partner is a ☐ general partner ☒ limited partner
☐ limited liability company member

 B What type of entity is this partner? ▶ **CORPORATION**

 C Is this partner a ☒ domestic or a ☐ foreign partner?

 D Enter partner's percentage of: (i) Before change or termination (ii) End of year
 Profit sharing % **50.000000** %
 Loss sharing % **50.000000** %
 Ownership of capital % **50.000000** %

 E IRS Center where partnership filed return: **ATLANTA**

F Partner's share of liabilities (see instructions):

Nonrecourse

Qualified nonrecourse financing

Other

G Tax shelter registration number ▶

H Check here if this partnership is a publicly traded

 partnership as defined in section 469(k)(2) ☐

 I Check applicable boxes: (1) ☐ Final K-1 (2) ☐ Amended K-1

J Analysis of partner's capital account:

(a) Capital account at beginning of year	(b) Capital contributed during year	(c) Partner's share of lines 3, 4, and 7, Form 1065, Schedule M-2	(d) Withdrawals and distributions	(e) Capital account at end of year (combine columns (a) through (d))
919.			()	919.

	(a) Distributive share item	(b) Amount	(c) 1040 filers enter the amount in column (b) on:
Income (Loss)	1 Ordinary income (loss) from trade or business activities	1	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	2 Net income (loss) from rental real estate activities	2	
	3 Net income (loss) from other rental activities	3	
	4 Portfolio income (loss):		
	a Interest	4a	Sch. B, Part I, line 1
	b Ordinary dividends	4b	Sch. B, Part II, line 5
	c Royalties	4c	Sch. E, Part I, line 4
	d Net short-term capital gain (loss)	4d	Sch. D, line 5, col. (f)
	e Net long-term capital gain (loss):		
	(1) 28% rate gain (loss)	4e(1)	Sch. D, line 12, col. (g)
	(2) Total for year	4e(2)	Sch. D, line 12, col. (f)
Deductions	f Other portfolio income (loss) (attach schedule)	4f	Enter on applicable line of your return.
	5 Guaranteed payments to partner	5	See page 6 of Partner's Instructions for Schedule K-1 (Form 1065).
	6 Net section 1231 gain (loss) (other than due to casualty or theft)	6	
	7 Other income (loss) (attach schedule)	7	
			Enter on applicable line of your return.
Credits	8 Charitable contributions (see instructions) (attach schedule)	8	Sch. A, line 15 or 16
	9 Section 179 expense deduction	9	See pages 7 and 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	10 Deductions related to portfolio income (attach schedule)	10	
	11 Other deductions (attach schedule)	11	
	12a Low-income housing credit:		Form 8586, line 5
	(1) From section 42(j)(5) partnerships for property placed in service before 1990	12a(1)	
	(2) Other than on line 12a(1) for property placed in service before 1990	12a(2)	
	(3) From section 42(j)(5) partnerships for property placed in service after 1989	12a(3)	
	(4) Other than on line 12a(3) for property placed in service after 1989	12a(4)	
	b Qualified rehabilitation expenditures related to rental real estate activities	12b	See page 8 of Partner's Instructions for Schedule K-1 (Form 1065).
	c Credits (other than credits shown on lines 12a and 12b) related to rental real estate activities	12c	
	d Credits related to other rental activities	12d	
	13 Other credits	13	

For Paperwork Reduction Act Notice, see Instructions for Form 1065.

Schedule K-1 (Form 1065) 2000